GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2011
ANSWERED ON:15.03.2002
NAGALAND PAPER AND PULP MILLS .
K. ASUNGBA SANGTAM

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Nagaland Paper and Pulp Mills at Tuli a subsidiary of Hindustan Paper Corporation was referred to BIFR two times;

(b) if so, the outcome thereof;

(c) whether any action has been initiated by the Government to clear the huge liabilities of this mill;

(d) if so, the details thereof; and

(e) if not, the manner in which the Government plans to sort out the issue, compensate the affected parties and revive the ailing mills for the welfare of workers?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) to (e) Nagaland Pulp and Paper Company Ltd. (NPPC), a subsidiary of Hindustan Paper Corporation Ltd. (HPC) was referred to Board for Industrial and Financial Reconstruction (BIFR) in April,1992. Since the BIFR was taking time to finalise the revival plan, the Government approved a package in 1995 which helped NPPC to come out of BIFR since its net worth became positive. However, it could not improve its performance and hence was again referred to BIFR in August,1998.In its hearing on 4.3.2002, BIFR ordered winding up of NPPC.

Government has been providing non plan budgetary support from time to time to HPC towardpart cash losses/liability of salary and wages of NPPC. HPC has been clearing liabilities toward salary, wages and statutory dues of NPPC.Government has also approved budgetary support of Rs.18 crores for offering Voluntary Separation Scheme to all existing employees.